

ONE HUNDRED FIRST LEGISLATURE - FIRST SESSION - 2009
COMMITTEE STATEMENT
LB360

Hearing Date: Tuesday February 17, 2009
Committee On: Urban Affairs
Introducer: Cook
One Liner: Authorize creation of a land reutilization authority by a city of the metropolitan class

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 7 Senators Coash, Cook, Friend, Lathrop, McGill, Rogert, White
Nay:
Absent:
Present Not Voting:

Proponents:	Representing:
Senator Cook	Introducer
Dave Schreiner	Self
Jack Cheloha	City of Omaha
Gary Krumland	League of NE Municipalities

Opponents:	Representing:
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Neutral:	Representing:
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Summary of purpose and/or changes:

This bill proposes to amend the Land Reutilization Act to authorize the creation of a land reutilization authority by a city of the metropolitan class. It would be applicable only to metropolitan class cities.

Land reutilization authorities were first created in 1973. The purpose, set out in section 77-3201 (section 1 of the bill), was to set up a public authority to take control over tax delinquent property and then exercise discretion in selling it or keeping it for future use to encourage housing, new industry, jobs, and increased future tax revenue.

Land reutilization authorities were set up and currently exist on the county level.

This act (in subsection 3 of section 1) would establish the first municipal land reutilization authority for metropolitan class cities. It would authorize the metropolitan class city, at its discretion, to form a land reutilization authority with the same basic authority as that of any county and would, in fact, assume the functions of the county authority for the county within which the city is located.

The authority created by the city would not be a separate body but would be a division of the city's planning department (three employees acting as commissioners at the discretion of the planning director). The acts of the authority would be acts of the city. The authority would not be a political subdivision or public corporation acting in a governmental capacity.

If a county authority exists in the county where the metropolitan class city exists, the county authority ceases to exist within 180 days of the formation of the municipal authority and all property held by the county authority is transferred to the municipal authority.

The city treasurer would handle the financial affairs of the authority.

Explanation of amendments:

The committee amendments address two principal concerns of the committee regarding the form of the bill.

First, it was deemed inappropriate for the newly-created municipal land reutilization authority to automatically assume the functions of the county authority upon its creation.

Second, it was deemed inappropriate for the newly-created municipal authority to assume control over property outside of its corporate boundaries.

To address these concerns, the committee amendment changes all the direct references in the bill to the authority of the new authority to limit its jurisdiction to property located within the boundaries of the city. Thus, the county authority would continue to exist after the creation of the city authority with its jurisdiction limited to property outside of city limits.

However, it was not the intent of the committee to forestall the ability of the municipal authority to assume control over a broader area with the agreement of the county.

Consequently, a new subsection is added by the committee amendment (to section 1) which specifically authorizes a metropolitan class city which creates a land reutilization authority to enter into an agreement with any county (including its own) under the Interlocal Cooperation Act to exercise on behalf of the county the authority granted to the county under the act.

Mike Friend, Chairperson